

# SAN BERNARDINO COUNTY ECONOMIC FORECAST

San Bernardino County is the largest county in the nation in terms of total land area. The county, along with its neighbor to the south, Riverside County comprise the Inland Empire, one of the fastest growing metro areas of the state and nation from 1997 to 2006. However, because the real estate and labor market declines have been pronounced in the area, the economic fallout has been severe over the last two years. San Bernardino County has a population of 2.1 million people, with just under 608,000 wage and salary jobs. The per capita income in San Bernardino County is \$27,387 the average salary per worker is \$46,393.

Economic growth in Southern California declined sharply in 2008 and 2009 and job losses were the largest on record. Last year 36,500 total jobs were lost in San Bernardino County, representing a steep negative growth rate of -5.7 percent. The unemployment rate increased to 13.9 percent in 2009.

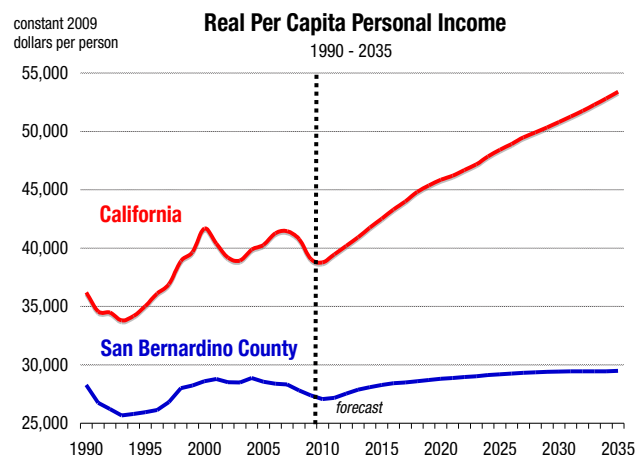
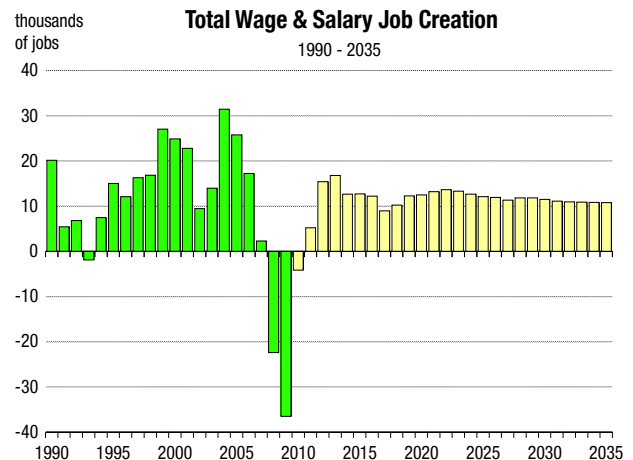
Employment in the construction sector fell by 8,150 workers, a decline of 24 percent. The contraction was due primarily to a decline in new home production (down 90 percent from the peak in 2004). Employment declined in both the manufacturing and retail trade sectors by just over 7,000 jobs each. The only sector to record positive job creation was education and health services.

The population growth rate fell to 0.8 percent in San Bernardino County in 2009, the slowest growth in nearly 15 years. This was due to significant out-migration for the first time in the county since the mid 1990s.

San Bernardino County and the entire Inland Empire economy are expected to recover in 2010 but general economic growth will remain sluggish until 2012. However, population growth rebounds as new job creation occurs. Over the longer-term forecast, the Inland Empire is still positioned to record greater growth than the coastal counties.

## FORECAST HIGHLIGHTS

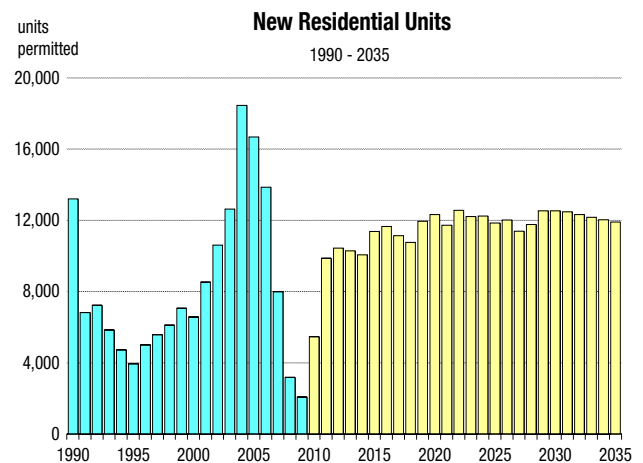
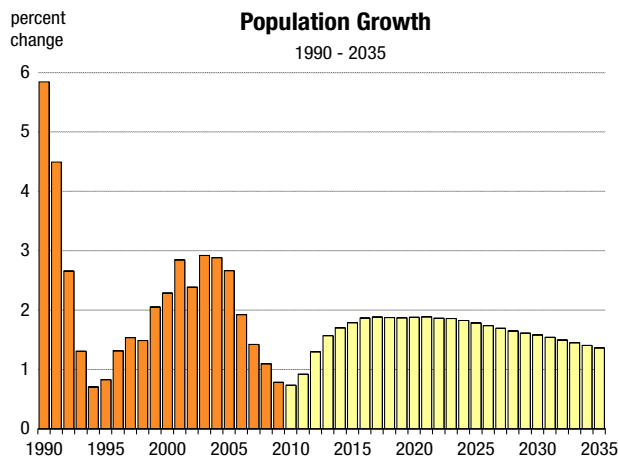
- Employment is forecast to decline in 2010 by 0.7 percent. From 2010 to 2015, the annual growth rate is expected to average 2.0 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of just 0.3 percent per year from 2010 to 2015.
- From 2010 to 2015, the momentum for employment growth is broad based. Manufacturing, professional and business services, information, construction, financial activities, and wholesale and retail trade all grow between 10 and 25 percent.
- The conversion of George Air Force Base into a transportation, warehousing, and distribution hub will accelerate the expansion of logistics employment, particularly to and from the ports of Los Angeles and Long Beach, over the next twenty years.
- Population growth averages 1.5 percent from 2010 to 2015, compared to 1.6 percent over the previous five years.
- The County is forecast to experience net out-migration through 2011, for the first time since the mid 1990s. Net migration rebounds over the long-term forecast. From 2010 to 2015 net migration is forecast to average 6,100 people per year.
- Real per capita incomes are expected to decline slightly in 2010 as population increases outpace income gains. During the 2010 to 2015 period real per capita incomes are forecast to average +0.9 percent per year.
- Total taxable sales are expected to increase by an average of 2.5 percent per year from 2010 to 2015.
- Industrial production will remain unchanged in 2010 due to weakness in manufacturing. From 2010 to 2015, the growth rate of industrial production is expected to average 3.4 percent per year.
- Farm production is forecast to decline by 3.7 percent per year between 2010 and 2015. The principal crop in the county is dairy products.



# San Bernardino County Economic Forecast

## 2002-2009 History, 2010-2035 Forecast

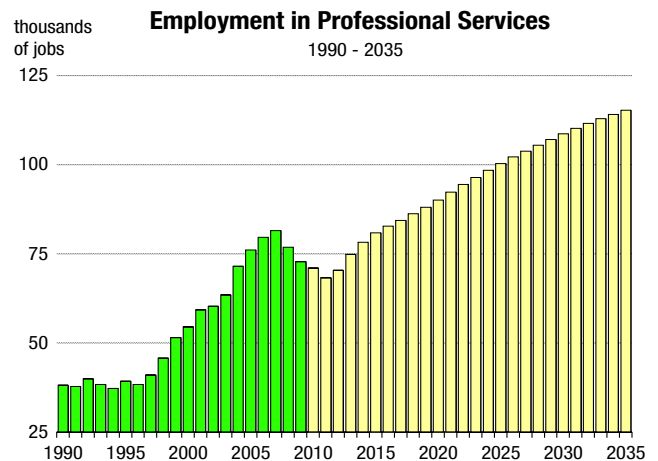
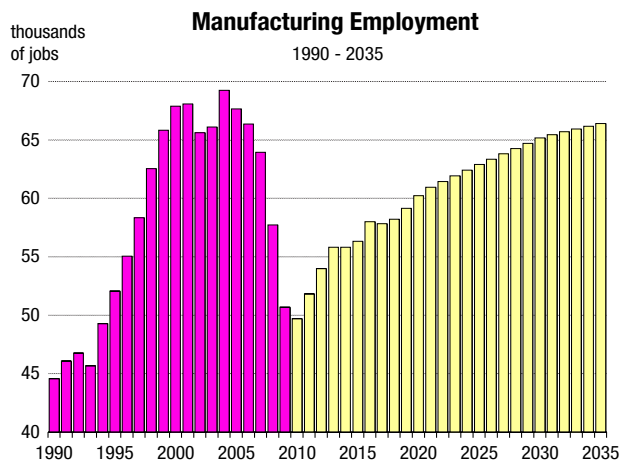
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	1,813,725	24,501	1.41	540	10,616	\$20.8	\$42.1	\$28,503	2.8	775	11.7	6.1
2003	1,866,718	34,184	1.44	548	12,640	\$22.6	\$44.5	\$28,476	2.6	772	12.5	6.3
2004	1,920,577	35,073	1.59	558	18,470	\$26.2	\$47.9	\$28,873	3.3	796	14.0	5.8
2005	1,971,803	30,631	1.64	570	16,684	\$29.7	\$50.8	\$28,537	4.5	626	14.8	5.3
2006	2,009,787	16,823	1.69	584	13,872	\$31.3	\$53.7	\$28,374	4.3	463	15.7	4.8
2007	2,038,345	6,066	1.67	597	8,004	\$30.5	\$56.1	\$28,315	3.3	589	15.6	5.6
2008	2,060,722	-449	1.64	606	3,182	\$28.4	\$57.7	\$27,798	3.5	544	15.1	8.0
2009	2,076,891	-6,935	1.58	610	2,085	\$27.5	\$56.9	\$27,387	-0.8	492	14.2	13.9
2010	2,092,117	-6,675	1.57	612	4,450	\$28.3	\$57.6	\$27,055	1.8	475	14.2	12.3
2011	2,111,355	-2,573	1.58	617	9,881	\$29.1	\$59.9	\$27,172	2.4	460	14.6	10.6
2012	2,138,764	5,443	1.60	626	10,448	\$30.6	\$62.9	\$27,524	2.2	444	15.3	9.3
2013	2,172,352	11,141	1.62	635	10,295	\$32.3	\$66.2	\$27,863	2.4	427	16.0	8.3
2014	2,209,326	13,782	1.65	644	10,071	\$34.1	\$69.4	\$28,073	2.3	411	16.3	7.4
2015	2,248,869	15,556	1.67	653	11,387	\$36.0	\$72.8	\$28,268	2.4	394	16.8	6.8
2016	2,290,911	17,327	1.70	664	11,668	\$38.0	\$76.3	\$28,422	2.3	377	17.4	6.5
2017	2,334,031	17,638	1.72	674	11,145	\$39.8	\$79.6	\$28,472	2.3	363	17.8	6.4
2018	2,377,856	17,695	1.74	684	10,762	\$41.3	\$83.4	\$28,594	2.3	347	18.3	6.3
2019	2,422,364	17,824	1.76	694	11,958	\$43.1	\$87.2	\$28,700	2.3	332	18.9	6.0
2020	2,467,918	18,432	1.78	705	12,337	\$45.1	\$91.1	\$28,799	2.2	317	19.6	6.0
2021	2,514,494	19,084	1.80	716	11,735	\$47.2	\$95.6	\$28,865	2.7	304	20.3	5.9
2022	2,561,369	19,060	1.82	726	12,565	\$49.2	\$100.4	\$28,949	2.8	290	20.9	5.8
2023	2,608,995	19,552	1.84	738	12,220	\$51.2	\$105.2	\$29,020	2.7	278	21.5	5.7
2024	2,656,639	19,521	1.85	749	12,253	\$53.3	\$110.2	\$29,116	2.5	265	22.1	5.6
2025	2,704,120	19,299	1.87	760	11,863	\$55.8	\$115.4	\$29,192	2.6	251	22.8	5.5
2026	2,751,179	18,903	1.88	770	12,022	\$58.4	\$120.8	\$29,247	2.7	238	23.5	5.5
2027	2,797,853	18,608	1.90	781	11,404	\$61.0	\$126.5	\$29,316	2.7	226	24.3	5.5
2028	2,843,989	18,145	1.92	791	11,774	\$64.0	\$132.5	\$29,357	2.9	214	25.1	5.4
2029	2,889,849	17,968	1.93	802	12,548	\$67.2	\$138.7	\$29,396	2.9	201	25.9	5.3
2030	2,935,609	17,978	1.95	813	12,542	\$70.5	\$145.1	\$29,424	2.8	189	26.7	5.3
2031	2,980,904	17,645	1.98	825	12,483	\$74.1	\$151.5	\$29,430	2.8	177	27.6	5.2
2032	3,025,579	17,170	2.00	836	12,329	\$77.8	\$158.1	\$29,428	2.8	166	28.4	5.2
2033	3,069,525	16,609	2.03	847	12,181	\$81.9	\$165.0	\$29,434	2.8	156	29.3	5.3
2034	3,112,714	16,019	2.05	858	12,043	\$86.1	\$172.1	\$29,445	2.8	146	30.3	5.4
2035	3,155,167	15,438	2.08	869	11,917	\$90.6	\$179.6	\$29,480	2.8	137	31.2	5.4

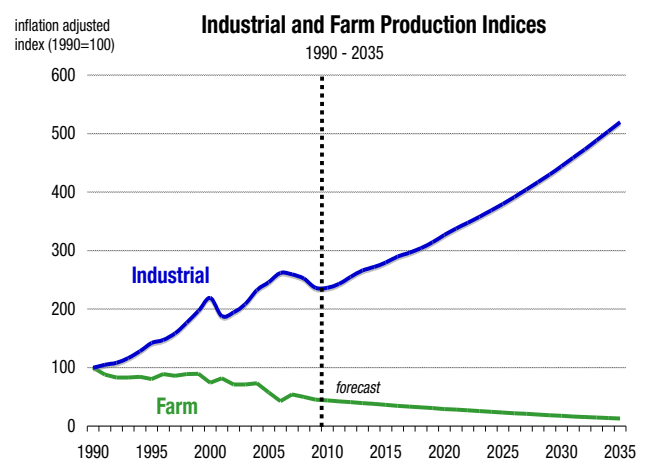
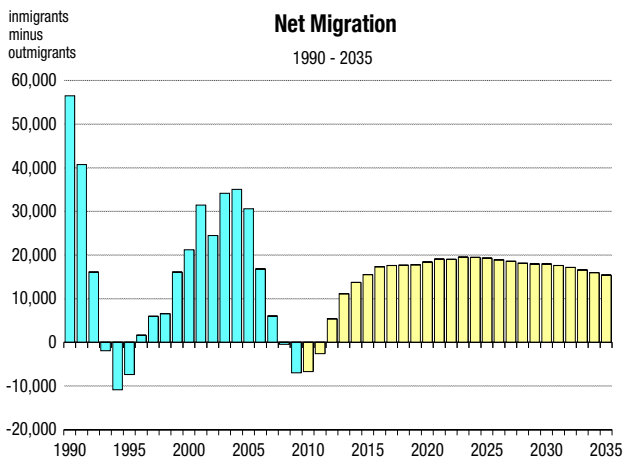
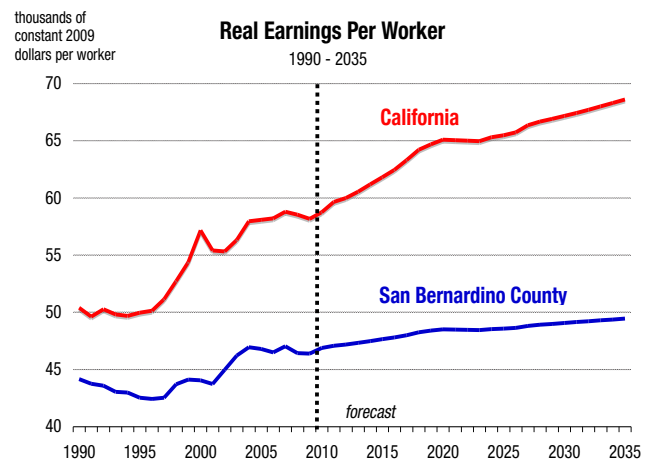
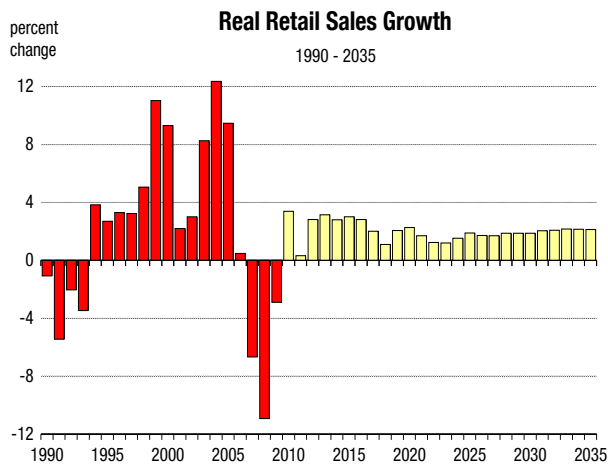


# San Bernardino County Employment Forecast

## 2002-2009 History, 2010-2035 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2002	575.9	4.12	35.9	65.6	36.0	96.9	21.9	60.3	7.5	62.8	48.0	116.2
2003	589.9	4.04	38.2	66.1	37.8	99.9	23.1	63.5	7.3	65.1	48.4	115.3
2004	621.3	3.57	41.3	69.3	41.9	106.3	24.9	71.5	7.1	66.5	52.2	114.7
2005	647.1	3.30	44.9	67.7	44.5	115.2	26.7	76.1	7.1	66.6	54.7	117.7
2006	664.4	3.06	46.8	66.4	46.8	120.9	28.1	79.7	7.6	68.6	56.2	117.6
2007	666.7	3.08	42.9	64.0	48.5	123.0	27.0	81.5	7.6	69.6	58.1	119.1
2008	644.3	3.03	34.5	57.7	48.9	118.2	24.9	76.8	7.3	72.2	57.0	121.5
2009	607.9	2.98	26.3	50.7	46.3	109.0	23.1	72.8	6.7	73.5	54.3	120.9
2010	603.7	2.90	27.8	49.7	46.1	107.9	23.3	71.0	6.7	73.5	54.7	119.3
2011	609.0	2.81	29.5	51.8	46.7	109.2	23.6	68.3	6.8	74.6	55.6	119.2
2012	624.4	2.72	31.2	54.0	47.6	113.2	24.2	70.4	6.9	76.1	56.4	120.5
2013	641.2	2.63	33.0	55.8	48.5	116.4	24.9	74.9	7.1	77.4	57.1	122.1
2014	653.9	2.53	33.7	55.8	49.4	119.4	25.5	78.2	7.2	78.7	58.0	123.6
2015	666.6	2.44	34.7	56.3	50.2	122.3	25.9	80.9	7.3	80.1	58.9	125.2
2016	678.8	2.34	35.3	58.0	51.1	125.3	25.9	82.8	7.5	81.4	59.8	126.7
2017	687.8	2.24	35.6	57.8	51.8	127.7	26.1	84.4	7.6	82.7	60.7	128.1
2018	698.0	2.15	35.9	58.2	52.5	129.5	26.3	86.3	7.7	84.3	61.4	130.2
2019	710.3	2.05	36.8	59.2	53.3	131.5	26.6	88.1	7.7	86.2	62.2	132.7
2020	722.8	1.96	37.4	60.2	54.0	133.7	27.0	90.1	7.8	88.0	62.9	135.1
2021	736.0	1.86	37.7	61.0	54.9	136.2	27.5	92.3	7.8	90.5	63.6	137.5
2022	749.7	1.77	38.5	61.5	55.7	138.8	27.9	94.5	7.9	93.3	64.3	139.7
2023	763.0	1.68	39.3	61.9	56.5	141.2	28.4	96.5	8.0	96.0	65.0	141.9
2024	775.7	1.59	39.9	62.4	57.3	143.7	28.8	98.5	8.1	98.7	65.6	144.0
2025	787.8	1.50	40.4	62.9	57.9	146.3	29.1	100.4	8.3	101.1	66.2	145.9
2026	799.8	1.41	41.2	63.4	58.4	149.0	29.5	102.2	8.4	103.4	66.8	147.7
2027	811.1	1.33	41.8	63.8	58.8	151.6	30.0	103.9	8.5	105.6	67.4	149.5
2028	823.0	1.24	42.9	64.3	59.3	154.3	30.4	105.5	8.6	107.7	68.1	151.2
2029	834.8	1.16	44.0	64.7	59.7	157.0	30.8	107.1	8.7	109.8	68.7	152.8
2030	846.4	1.07	44.7	65.2	60.2	159.8	31.3	108.7	8.8	111.9	69.4	154.5
2031	857.5	0.99	45.3	65.5	60.7	162.6	31.6	110.2	8.9	114.0	70.0	156.1
2032	868.4	0.91	45.9	65.7	61.1	165.5	32.0	111.6	9.0	116.2	70.7	157.6
2033	879.3	0.84	46.6	66.0	61.5	168.4	32.3	112.9	9.2	118.3	71.4	159.2
2034	890.1	0.76	47.2	66.2	62.0	171.4	32.7	114.2	9.3	120.4	72.1	160.7
2035	901.0	0.69	47.8	66.4	62.3	174.5	33.2	115.3	9.4	122.5	72.8	162.2





## County Economic and Demographic Indicators

### Projected Economic Growth (2010-2015)

Expected retail sales growth:	12.7 %
Expected job growth:	10.4 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	12.3 %

Expected population growth:	7.5 %
Net migration to account for:	27.7 %
Expected growth in number of vehicles:	6.3 %

### Demographics (2009)

Unemployment rate (December):	13.6 %
County Rank* in California (58 counties):	30th
Working age (16-64) population:	66.3 %

Population with B.A. Degree or higher:	15.8 %
Median Home Selling Price:	\$148,524
Median Household Income:	\$56,079

### Quality of Life

Violent Crime rate (2008):	513 per 100,000 persons
County Rank* in California (58 counties):	41th
Average Commute Time to work (2009):	22.5 minutes

High School drop out rate (2008):	22.5 %
Households at/below poverty line:	12.5 %

\* The county ranked 1st corresponds to the lowest rate in California